

1 40.02 (18g) “Deferred compensation plan” means a plan which is in accordance
2 with section 457 of the ~~internal revenue code~~ Internal Revenue Code, under which
3 an employer executes an agreement by which an employee voluntarily agrees to
4 defer a part of gross compensation for payment at a later date. Deferred
5 compensation plan does not include annuity plans specified under section 403 (b) of
6 the ~~internal revenue code~~ Internal Revenue Code.

7 *~~-0244/1.5~~***SECTION 714.** 40.02 (31) of the statutes is created to read:

8 40.02 (31) “Federal annual compensation limits” means any annual
9 compensation limit under section 401 (a) (17) of the Internal Revenue Code, as
10 adjusted for any cost of living increases under section 401 (a) (17) (B) of the Internal
11 Revenue Code, but only with respect to plan years beginning after December 31,
12 1995, and only with respect to individuals who first became participating employees
13 in plan years beginning after December 31, 1995. This subsection shall be applied
14 in compliance with section 401 (a) (31) of the Internal Revenue Code pursuant to any
15 applicable federal regulations or guidance adopted under the Internal Revenue
16 Code.

17 *~~-0244/1.6~~***SECTION 715.** 40.02 (33) (a) 1. of the statutes is amended to read:

18 40.02 (33) (a) 1. The participant’s total earnings received or considered to be
19 received under sub. (22) (e), (ef), or (em) and for which contributions are made under
20 s. 40.05 (1) and (2) during the 3 annual earnings periods (excluding any period more
21 than 3 years prior to the effective date for any participating employer) in which the
22 earnings were the highest, subject to ~~the~~ federal annual compensation limits ~~under~~
23 ~~26 USC 401 (a) (17) for a participating employee who first becomes a participating~~
24 ~~employee on or after January 1, 1996; by~~

25 *~~-0244/1.7~~***SECTION 716.** 40.02 (33) (b) 1. of the statutes is amended to read:

1 40.02 (33) (b) 1. For a state elected official who is prohibited by law from
2 receiving an increase in compensation during the official's term of office and who so
3 elects, one-twelfth of the annual salary, subject to the federal annual compensation
4 limits ~~under 26 USC 401 (a) (17) for a participating employee who first becomes a~~
5 participating employee on or after January 1, 1996, which would have been payable
6 to the participant during the last completed month in which the participant was a
7 participating employee in such a position if the participant had not been prohibited
8 by law from receiving an increase in salary during his or her term of office, but only
9 with respect to service as a state elected official.

10 *~~-0244/1.8~~*SECTION 717. 40.02 (33) (c) of the statutes is amended to read:

11 40.02 (33) (c) For a participant who makes an election under s. 40.30 (2), the
12 monthly rate of earnings applicable under par. (a) or (b), increased as provided under
13 s. 40.30 (4) (b) but subject to the federal annual compensation limits ~~under 26 USC~~
14 401 (a) (17) ~~for a participating employee who first becomes a participating employee~~
15 ~~on or after January 1, 1996.~~

16 *~~-1024/7.3~~*SECTION 718. 40.02 (37m) of the statutes is created to read:

17 40.02 (37m) "Health savings account" means a health savings account
18 described in 26 USC 223.

19 *~~-1024/7.4~~*SECTION 719. 40.02 (37r) of the statutes is created to read:

20 40.02 (37r) "High-deductible health plan" has the meaning given in 26 USC
21 223 (c) (2).

22 *~~-0244/1.9~~*SECTION 720. 40.02 (39m) of the statutes is amended to read:

23 40.02 (39m) "Internal revenue code Revenue Code" means the federal internal
24 revenue code Internal Revenue Code of 1986, under Title 26, USC, as amended, and

1 ~~applicable federal regulations adopted by the federal department of the treasury,~~
2 ~~including temporary regulations.~~

3 *~~-0244/1.10~~**SECTION 721.** 40.02 (48g) of the statutes is renumbered 40.02
4 (25g) and amended to read:

5 40.02 **(25g)** “Public Eligible retired public safety officer” has the meaning given
6 in ~~26 USC~~ section 402 (I) (l) (4) (C) (B) of the Internal Revenue Code.

7 *~~-0244/1.11~~**SECTION 722.** 40.02 (48m) (e) of the statutes is amended to read:

8 40.02 **(48m)** (e) The determination of the alternate payee share does not
9 require that benefits be paid to the alternate payee if those benefits are also required
10 to be paid to another alternate payee or to the internal revenue service under a lien
11 placed on the participant’s account under ~~26 USC~~ section 64 of the Internal Revenue
12 Code.

13 *~~-0244/1.12~~**SECTION 723.** 40.03 (1) (am) of the statutes is amended to read:

14 40.03 **(1)** (am) Shall ensure that the Wisconsin retirement system complies
15 with the ~~internal revenue code~~ Internal Revenue Code as a qualified plan for income
16 tax purposes and shall ensure that each benefit plan is administered in a manner
17 consistent with all ~~internal revenue code~~ Internal Revenue Code provisions that
18 authorize and regulate the benefit plan.

19 *~~-1024/7.5~~**SECTION 724.** 40.03 (2) (ig) of the statutes is amended to read:

20 40.03 **(2)** (ig) Shall promulgate, with the approval of the group insurance board,
21 all rules required for the administration of the group health, long-term care, income
22 continuation or life insurance plans established under subchs. IV to VI and health
23 savings accounts under subch. IV.

24 *~~-0244/1.13~~**SECTION 725.** 40.03 (2) (t) of the statutes is amended to read:

1 40.03 (2) (t) Shall ensure that the Wisconsin retirement system complies with
2 the ~~internal revenue code~~ Internal Revenue Code as a qualified plan for income tax
3 purposes and shall ensure that each benefit plan is administered in a manner
4 consistent with all ~~internal revenue code~~ Internal Revenue Code provisions that
5 authorize and regulate the benefit plan.

6 *~~0250/3.1~~*SECTION 726. 40.03 (2) (vm) of the statutes is created to read:

7 40.03 (2) (vm) Annually, before July 1, shall submit a report to the secretary
8 of administration and the joint committee on finance on the department's progress
9 in modernizing its business processes and integrating its information technology
10 systems.

11 *~~0311/7.1~~*SECTION 727. 40.03 (6) (c) of the statutes is repealed and recreated
12 to read:

13 40.03 (6) (c) Shall not enter into any agreement to modify or expand benefits
14 under any group insurance plan, unless the modification or expansion is required by
15 law or would maintain or reduce premium costs for the state or its employees in the
16 current or any future year. A reduction in premium costs in future years includes
17 a reduction in any increase in premium costs that would have otherwise occurred
18 without the modification or expansion. This paragraph shall not be construed to
19 prohibit the group insurance board from encouraging participation in wellness or
20 disease management programs or providing optional coverages if the premium costs
21 for those coverages are paid by the employees.

22 *~~1025/9.1~~*SECTION 728. 40.03 (6) (cm) of the statutes is created to read:

23 40.03 (6) (cm) 1. Notwithstanding ss. 111.321, 111.322, and 111.35, beginning
24 in 2014, the group insurance board shall impose a premium surcharge for health care
25 coverage under ss. 40.51 (6) and 40.515 for eligible employees who use tobacco

1 products and may terminate the health care coverage of any eligible employee who
2 falsely claims that he or she does not use tobacco products.

3 2. The premium surcharges paid by annuitants who use tobacco products shall
4 be used to reduce future health care coverage premiums for annuitants and to
5 reimburse the department for costs incurred by the department in providing health
6 care coverage to annuitants. Annually, the secretary of administration shall
7 determine the surcharge amounts that are to be used to reimburse the department
8 for costs incurred by the department in providing health care coverage to annuitants
9 and shall transfer that amount to the appropriation account under s. 20.515 (1) (w).

10 ~~*-1024/7.6*~~**SECTION 729.** 40.03 (6) (k) of the statutes is created to read:

11 40.03 (6) (k) Shall establish health savings accounts for state employees who
12 select a high-deductible health plan under s. 40.515 for their health care coverage
13 plan.

14 ~~*-0244/1.14*~~**SECTION 730.** 40.04 (10) of the statutes is amended to read:

15 40.04 (10) An accumulated sick leave conversion account shall be maintained
16 within the fund, to which shall be credited all money received under s. 40.05 (4) (b),
17 (bc), (bf), (bm), (br), and (bw) for health insurance premiums, as dividends or
18 premium credits arising from the operation of health insurance plans and from
19 investment income on any reserves established in the fund for health insurance
20 purposes for retired employees and their surviving dependents, and for the payment
21 of any employer share of OASDHI contributions for sick leave credits used to pay
22 health insurance premiums for dependents who are not tax dependents under the
23 Internal Revenue Code. Premium payments to health insurers authorized in s. 40.05
24 (4) (b), (bc), (bf), (bm), and (bw) shall be charged to this account. This subsection does

1 not prohibit the direct payment of premiums to insurers when appropriate
2 administrative procedures have been established for direct payments.

3 ***-0244/1.15*SECTION 731.** 40.04 (11) of the statutes is amended to read:

4 40.04 (11) A health insurance premium credit account shall be maintained
5 within the fund, to which shall be credited all moneys received under s. 40.05 (4) (by)
6 for the payment of health insurance premiums, as dividends or premium credits
7 arising from the operation of health insurance plans and from investment income on
8 any reserves established in the fund for health insurance purposes for retired
9 employees and their surviving dependents, and for the payment of any employer
10 share of OASDHI contributions for health insurance premium credits used to pay
11 health insurance premiums for dependents who are not tax dependents under the
12 Internal Revenue Code. Premium payments to health insurers authorized in subch.
13 IX may only be charged to this account after all other health insurance premium
14 credits under s. 40.05 (4) (b), (bc), (bf), (bm) and (bw) are exhausted. This subsection
15 does not prohibit the direct payment of premiums to insurers when appropriate
16 administrative procedures have been established for direct payments.

17 ***-1024/7.7*SECTION 732.** 40.04 (12) of the statutes is created to read:

18 40.04 (12) The department shall establish and maintain a separate account in
19 the fund to which shall be credited all moneys received from employees and
20 employers in connection with health savings accounts established under s. 40.515.

21 ***-0244/1.16*SECTION 733.** 40.05 (1) (intro.) of the statutes is amended to read:

22 40.05 (1) EMPLOYEE RETIREMENT CONTRIBUTIONS. (intro.) For Wisconsin
23 retirement system purposes employee contributions on earnings for service credited
24 as creditable service shall be subject to ~~the~~ federal annual compensation limits under

1 ~~26 USC 401 (a) (17) for a participating employee who first becomes a participating~~
2 ~~employee on or after January 1, 1996, and shall be made as follows:~~

3 *~~0244/1.17~~**SECTION 734.** 40.05 (1) (a) 5. of the statutes is amended to read:

4 40.05 (1) (a) 5. Additional contributions may be made by any participant by
5 deduction from earnings or otherwise or may be provided on behalf of any participant
6 in any calendar year in which the participant has earnings, subject to any limitations
7 imposed on contributions by the ~~internal revenue code~~ Internal Revenue Code,
8 applicable regulations adopted under the ~~internal revenue code~~ Internal Revenue
9 Code and rules of the department.

10 *~~0244/1.18~~**SECTION 735.** 40.05 (1) (a) 6. of the statutes is amended to read:

11 40.05 (1) (a) 6. Under the rules promulgated under s. 40.03 (2) (r), additional
12 contributions, ~~other than the first \$5,000 of contributions, or a beneficiary's prorated~~
13 ~~share thereof,~~ that are attributable to a death benefit paid under s. 40.73, may be
14 made to the core annuity division by any participant by rollover contribution of a
15 payment or distribution from a pension or annuity qualified under section 401 of the
16 Internal Revenue Code, subject to any limitations imposed on contributions by the
17 Internal Revenue Code, applicable regulations adopted under the Internal Revenue
18 Code, and rules of the department.

19 *~~0244/1.19~~**SECTION 736.** 40.05 (2) (intro.) of the statutes is amended to read:

20 40.05 (2) EMPLOYER RETIREMENT CONTRIBUTIONS. (intro.) For Wisconsin
21 retirement system purposes and subject to ~~the~~ federal annual compensation limits
22 ~~under 26 USC 401 (a) (17) for a participating employee who first becomes a~~
23 ~~participating employee on or after January 1, 1996:~~

24 *~~0244/1.20~~**SECTION 737.** 40.05 (2r) (a) of the statutes is amended to read:

1 40.05 (2r) (a) Contributions made under this section are subject to the
2 limitations under s. 40.32 and the ~~internal revenue code~~ Internal Revenue Code.

3 *~~0244/1.21~~***SECTION 738.** 40.05 (2r) (b) (intro.) of the statutes is amended to
4 read:

5 40.05 (2r) (b) (intro.) If a participant in the Wisconsin retirement system also
6 participates in a different retirement plan offered by an employer that is subject to
7 section 401 of the ~~internal revenue code~~ Internal Revenue Code and the internal
8 revenue service seeks to disqualify one or more of the plans because the aggregate
9 contributions to the plans exceed the contribution limits under section 415 of the
10 ~~internal revenue code~~ Internal Revenue Code, the internal revenue service, if it
11 permits state law to determine the order of disqualification of such retirement plans,
12 shall disqualify the retirement plans in the following order:

13 *~~0459/5.2~~***SECTION 739.** 40.05 (4) (ag) 2. of the statutes is amended to read:

14 40.05 (4) (ag) 2. For eligible employees not specified in subd. 1. and s. 40.02 (25)
15 (b) 2., an amount not more than 88 percent of the average premium cost of plans
16 offered in the each tier with the lowest employee premium cost under s. 40.51 (6), as
17 determined annually by the director of the office of state employment relations under
18 par. (ah).

19 *~~0459/5.3~~***SECTION 740.** 40.05 (4) (ah) of the statutes is renumbered 40.05 (4)
20 (ah) 1.

21 *~~0459/5.4~~***SECTION 741.** 40.05 (4) (ah) 2. of the statutes is created to read:

22 40.05 (4) (ah) 2. For purposes of establishing the amount that employees are
23 required to pay for health insurance premiums, if a tier under s. 40.51 (6) contains
24 no health insurance plans, but that tier is used to establish the premium amounts
25 for employees who work and reside outside of the state, the amount these employees

1 are required to pay shall be based on the premium contribution amount for that tier
2 in the prior year, adjusted by the average percentage change of the premium
3 contribution amount of the other tiers from the prior year.

4 ***-0459/5.5*SECTION 742.** 40.05 (4) (ah) 3. of the statutes is created to read:

5 40.05 (4) (ah) 3. A craft employee shall pay 100 percent of health insurance
6 premiums, unless otherwise determined by the director.

7 ***-1024/7.8*SECTION 743.** 40.05 (4) (ah) 4. of the statutes is created to read:

8 40.05 (4) (ah) 4. Annually, the director shall determine the amount of
9 contributions, if any, that the state must contribute into an employee's health
10 savings account under s. 40.515 and the amount that employees are required to pay
11 for health insurance premiums for a high-deductible health plan under s. 40.515.

12 ***-1025/9.2*SECTION 744.** 40.05 (4) (ah) 5. of the statutes is created to read:

13 40.05 (4) (ah) 5. For purposes of establishing the amount that employees are
14 required to pay for health insurance premiums, the director shall consider the
15 amount of premium surcharges that employees are required to pay under s. 40.03 (6)
16 (cm) 1.

17 ***-0244/1.22*SECTION 745.** 40.05 (4r) of the statutes is amended to read:

18 40.05 (4r) PAYMENT OF CERTAIN INSURANCE PREMIUMS. If an annuitant is a an
19 eligible retired public safety officer and receives health care coverage or long-term
20 care coverage under a plan other than one offered under subch. IV, and if the
21 annuitant so elects by providing written notice to the department, the premium shall
22 be paid as a deduction under s. 40.06 (1) (a) from the annuitant's annuity. If the
23 annuitant receives an annuity that is not sufficient to cover premium payments, the
24 annuitant shall make premium payments directly to the insurer. The department
25 shall establish procedures to permit an annuitant who is a an eligible retired public

1 safety officer to elect to have his or her premium paid as a deduction under s. 40.06
2 (1) (a) from his or her annuity. The annuitant shall provide the department with all
3 necessary information to permit the department to make the payment in a timely
4 manner.

5 ***-0317/1.1*SECTION 746.** 40.07 (1r) of the statutes is created to read:

6 40.07 (1r) Upon request of the department of revenue, the department may
7 disclose information, including social security numbers, to the department of
8 revenue concerning an annuity only for the following purposes:

9 (a) To administer the payment of state taxes.

10 (am) To aid in collecting debts owed to the department of revenue.

11 (b) To locate participants, or the assets of participants, who have failed to file
12 tax returns, underreported their taxable income, or who are delinquent debtors.

13 (c) To identify fraudulent tax returns and credit claims.

14 (d) To provide information for tax-related prosecutions.

15 ***-0244/1.23*SECTION 747.** 40.08 (2) (b) of the statutes is amended to read:

16 40.08 (2) (b) If permitted under a deferred compensation plan established
17 under subch. VII, insurance premiums for health or long-term care insurance
18 coverage for a an eligible retired public safety officer may be deducted from an
19 amount distributed under a deferred compensation plan and paid directly to an
20 insurer.

21 ***-0244/1.24*SECTION 748.** 40.08 (14) of the statutes is amended to read:

22 40.08 (14) ROLLOVERS TO OTHER RETIREMENT PLANS. If a participant who is
23 entitled to receive a lump sum payment or a monthly annuity certain under s. 40.24
24 (1) (f) for which the participant has specified a term of less than 120 months or an
25 annuity certain of less than 10 years in duration from the Wisconsin retirement

1 system and who has an account established under any other retirement plan located
2 in the United States so directs in writing, on a form prescribed by the department,
3 the department shall pay the lump sum payment or the monthly annuity directly to
4 the participant's account under that other retirement plan for credit under that other
5 retirement plan. The department shall cease payment of the monthly annuity
6 payments to the annuitant's account under the other retirement plan within 30 days
7 of the written request of the annuitant or written notice of the annuitant's death.
8 This subsection shall be applied in compliance with section 401 (a) (31) of the
9 Internal Revenue Code pursuant to any applicable federal regulations or guidance
10 adopted under the Internal Revenue Code.

11 ***-0244/1.25*SECTION 749.** 40.19 (5) of the statutes is created to read:

12 40.19 (5) For the purpose of complying with section 401 (a) (7) of the Internal
13 Revenue Code, a participant shall be 100 percent vested in, and have a nonforfeitable
14 right to, his or her retirement benefits upon attaining eligibility for the retirement
15 benefits. A participant shall also be 100 percent vested in, and have a nonforfeitable
16 right to, his or her accumulated employee contributions at all times. In the event of
17 a termination of, or a complete discontinuance of employer contributions to the
18 Wisconsin retirement system, a participant shall be 100 percent vested in, and have
19 a nonforfeitable right to, his or her accrued retirement benefits. All such benefits are
20 nonforfeitable to the extent funded. For the purpose of complying with section 401
21 (a) (8) of the Internal Revenue Code, any forfeitures of benefits by participants or
22 former participants of the Wisconsin retirement system may not be used to pay
23 benefit increases.

24 ***-0310/1.1*SECTION 750.** 40.22 (2) (a) of the statutes is amended to read:

1 40.22 (2) (a) Except as provided in sub. (2m), the employee was initially
2 ~~employed by a participating employer~~ a participating employee before July 1, 2011,
3 and is not expected to work at least one-third of what is considered full-time
4 employment by the department, as determined by rule.

5 *~~0310/1.2~~*SECTION 751. 40.22 (2m) (intro.) of the statutes is amended to read:

6 40.22 (2m) (intro.) An employee who was ~~initially employed by a participating~~
7 ~~employer~~ a participating employee before July 1, 2011, who is not expected to work
8 at least one-third of what is considered full-time employment by the department,
9 as determined by rule, and who is not otherwise excluded under sub. (2) from
10 becoming a participating employee shall become a participating employee if he or she
11 is subsequently employed by the state agency or other participating employer for
12 either of the following periods:

13 *~~0244/1.26~~*SECTION 752. 40.23 (4) (a) of the statutes is amended to read:

14 40.23 (4) (a) Subject to all requirements under ~~the internal revenue code~~
15 section 401 (a) (9) of the Internal Revenue Code and federal regulations applicable
16 to that section, which relate to a governmental plan, as defined in section 414 (d) of
17 the Internal Revenue Code, the department shall distribute to the participant the
18 entire amount that is credited to the account of a participant under the Wisconsin
19 retirement system no later than the required beginning date, unless the department
20 distributes this amount as an annuity or in more than one payment. If the
21 department distributes this amount as an annuity or in more than one payment, the
22 department shall begin the distribution no later than the required beginning date.

23 *~~0244/1.27~~*SECTION 753. 40.23 (4) (b) (intro.) of the statutes is amended to

24 read:

1 40.23 (4) (b) (intro.) In the calendar year immediately preceding the calendar
2 year of a participant's required beginning date, if the department distributes the
3 amount that is credited to the account of a participant under the Wisconsin
4 retirement system in a form other than as a lump sum payment, the department,
5 subject to all requirements under the ~~internal revenue code~~ Internal Revenue Code,
6 shall calculate the distribution to the participant according to one of the following:

7 *~~0244/1.28~~**SECTION 754.** 40.23 (4) (e) of the statutes is amended to read:

8 40.23 (4) (e) 1. Subject to subds. 2. to 4. and section 401 (a) (9) of the Internal
9 Revenue Code, if a participant dies before the distribution of benefits has commenced
10 and the participant's beneficiary is the spouse or domestic partner, the department
11 shall begin the distribution within 5 years after the date of the participant's death.

12 2. If Subject to section 401 (a) (9) of the Internal Revenue Code, if the spouse
13 or domestic partner files a subsequent beneficiary designation with the department,
14 the payment of the distribution may be deferred until the January 1 of the year in
15 which the participant would have attained the age of 70.5 years.

16 3. If Subject to section 401 (a) (9) of the Internal Revenue Code, if the spouse
17 or domestic partner does not apply for a distribution, the distribution shall begin as
18 an automatic distribution as provided under subd. 1. or under par. (c), whichever
19 distribution date is earlier.

20 4. If Subject to section 401 (a) (9) of the Internal Revenue Code, if the spouse
21 or domestic partner dies, but has designated a new beneficiary, the birth date of the
22 spouse or domestic partner shall be used for the purposes of determining the required
23 beginning date.

1 5. The department shall specify by rule all procedures relating to an automatic
2 distribution to the spouse or domestic partner. These rules shall comply with the
3 ~~internal revenue code~~ Internal Revenue Code.

4 *~~0244/1.29~~*SECTION 755. 40.23 (4) (f) (intro.) of the statutes is amended to
5 read:

6 40.23 (4) (f) (intro.) If a participant dies before the distribution of benefits has
7 commenced and the ~~participant's beneficiary is not the spouse or domestic partner~~
8 beneficiary cannot delay the automatic payment of benefits under section 401 (a) (9)
9 of the Internal Revenue Code, the beneficiary shall do one of the following:

10 *~~0244/1.30~~*SECTION 756. 40.23 (4) (h) of the statutes is created to read:

11 40.23 (4) (h) Death and disability benefits provided under this chapter are
12 limited by the incidental benefit rule under section 401 (a) (9) (G) of the Internal
13 Revenue Code and applicable federal regulations and guidance adopted under the
14 Internal Revenue Code.

15 *~~0244/1.31~~*SECTION 757. 40.23 (4) (i) of the statutes is created to read:

16 40.23 (4) (i) Distributions of benefits shall conform to a reasonable and good
17 faith interpretation of section 401 (a) (9) of the Internal Revenue Code.

18 *~~0244/1.32~~*SECTION 758. 40.23 (4) (j) of the statutes is created to read:

19 40.23 (4) (j) Pursuant to a qualified domestic relations order, the department
20 may establish separate benefits for a participant and an alternate payee.

21 *~~0251/3.1~~*SECTION 759. 40.26 (1) of the statutes is amended to read:

22 40.26 (1) Except as provided in sub. (1m) and ss. 40.05 (2) (g) 2. and 40.23 (1)
23 (am), if a participant receiving a retirement annuity, or a disability annuitant who
24 has attained his or her normal retirement date, receives earnings that are subject
25 to s. 40.05 (1) or that would be subject to s. 40.05 (1) except for the exclusion specified

1 in s. 40.22 (2) (L), the annuity shall be terminated and no annuity payment shall be
2 payable after the month in which the participant files with the department a written
3 election to be included within the provisions of the Wisconsin retirement system as
4 a participating employee.

5 ***-0251/3.2*SECTION 760.** 40.26 (1m) of the statutes is created to read:

6 40.26 (1m) If a participant receiving a retirement annuity, or a disability
7 annuitant who has attained his or her normal retirement date, is employed in a
8 position in covered employment in which he or she is expected to work at least
9 two-thirds of what is considered full-time employment by the department, as
10 determined under s. 40.22 (2r), the participant's annuity shall be terminated and no
11 annuity payment shall be payable until after the participant terminates covered
12 employment.

13 ***-0251/3.3*SECTION 761.** 40.26 (2) (intro.) of the statutes is amended to read:

14 40.26 (2) (intro.) Upon termination of an annuity under sub. (1) or (1m), the
15 retirement account of the participant whose annuity is so terminated shall be
16 reestablished on the following basis:

17 ***-0251/3.4*SECTION 762.** 40.26 (5) (intro.) of the statutes is amended to read:

18 40.26 (5) (intro.) If a participant applies for an annuity or lump sum payment
19 during the period in which less than 30 75 days have elapsed between the
20 termination of employment with a participating employer and becoming a
21 participating employee with any participating employer, all of the following shall
22 apply:

23 ***-0244/1.33*SECTION 763.** 40.30 (4) (b) of the statutes is amended to read:

24 40.30 (4) (b) Subject to the federal annual compensation limits ~~under 26 USC~~
25 ~~401 (a) (17) for a participating employee who first becomes a participating employee~~

1 ~~on or after January 1, 1996~~, the final average salary or final average earnings used
2 in the benefit formula computation for each retirement system under par. (a) shall
3 be the individual's final average salary or final average earnings under the
4 respective retirement system, determined in accordance with the provisions of that
5 retirement system based on the earnings covered by that retirement system and on
6 all service permitted under that retirement system to be used in determining the
7 final average salary or final average earnings, increased by the percentage increase
8 in the average of the total wages, as determined under 42 USC 415 (b) (3) (A),
9 between the date on which the individual terminated all employment covered by that
10 retirement system and the date on which the individual terminated all employment
11 covered by any of those retirement systems.

12 *~~0244/1.34~~*SECTION 764. 40.31 (1) of the statutes is amended to read:

13 40.31 (1) GENERAL LIMITATION. The maximum retirement benefits payable to
14 a participant in a calendar year, excluding benefits attributable to contributions
15 subject to ~~any limitations under s. 40.23 (2) (a), (2m) (c) and (3)~~ the limit under s.
16 40.32, may not exceed the maximum benefit limitation established under section 415
17 (b) of the Internal Revenue Code, ~~as adjusted under section 415 (d) of the Internal~~
18 Revenue Code and any applicable regulations or guidance adopted under the
19 Internal Revenue Code, except that the limit for an individual who first became a
20 participant before January 1, 1990, may not be less than the accrued benefits of the
21 participant, as determined without regard to any changes to the retirement system
22 after October 14, 1987.

23 *~~0244/1.35~~*SECTION 765. 40.32 (1) of the statutes is amended to read:

24 40.32 (1) The sum of all employee post-tax contributions allocated to a
25 participant's account ~~under each defined contribution plan sponsored by the~~

1 ~~employer, including all employer contributions and picked-up contributions~~
2 ~~credited with interest at the effective rate under ss. 40.04 (4) (a) and (5) (b) and 40.05~~
3 ~~(2) (g) and all employee contributions made under ss. 40.02 (17) and 40.05 (1), may~~
4 not in any calendar year exceed the maximum contribution limitation established
5 under section 415 (c) of the Internal Revenue Code, as adjusted under section 415 (d)
6 of the Internal Revenue Code and any applicable regulations adopted by the federal
7 department of the treasury.

8 *~~1024/7.9~~**SECTION 766.** 40.515 of the statutes is created to read:

9 **40.515 Health savings accounts; high-deductible health plan.** (1) In
10 addition to the health care coverage plans offered under s. 40.51 (6), beginning on
11 January 1, 2015, the group insurance board shall offer to all state employees the
12 option of receiving health care coverage through a high-deductible health plan and
13 the establishment of a health savings account. Under this option, each employee
14 shall receive health care coverage through a high-deductible health plan. The state
15 shall make contributions into each employee's health savings account in an amount
16 specified by the director of the office of state employment relations under s. 40.05 (4)
17 (ah) 4. In designing a high-deductible health plan, the group insurance board shall
18 ensure that the plan may be used in conjunction with a health savings account.

19 (2) The group insurance board may contract with any person to provide
20 administrative and other services relating to health savings accounts established
21 under this section.

22 (3) The group insurance board may collect fees from state agencies to pay all
23 administrative costs relating to the establishment and operation of health savings
24 accounts established under this section. The group insurance board shall develop a
25 methodology for determining each state agency's share of the administrative costs.

1 Moneys collected under this subsection shall be credited to the appropriation account
2 under s. 20.515 (1) (tm).

3 (4) Beginning on January 1, 2015, to the extent practicable, any agreement
4 with any insurer or provider to provide health care coverage to state employees
5 under s. 40.51 (6) shall require the insurer or provider to also offer a high-deductible
6 health plan that may be used in conjunction with a health savings account.

7 ~~*-0244/1.36~~**SECTION 767.** 40.72 (4r) of the statutes is amended to read:

8 40.72 (4r) At any time after an insured employee's amount of life insurance is
9 reduced under subs. (2) and (3) and life insurance premiums are no longer required
10 under s. 40.05 (6) (b), the employee may convert the present value of the life
11 insurance to pay the premiums for health or long-term care insurance provided
12 under subch. IV, but only if the department determines that the value of the
13 conversion is exempt from taxation under the ~~internal revenue code~~ Internal
14 Revenue Code.

15 ~~*-0244/1.37~~**SECTION 768.** 40.80 (2) (g) of the statutes is amended to read:

16 40.80 (2) (g) Serve as trustee of any deferred compensation plan established
17 under this section, hold the assets and income of the plan in trust for the exclusive
18 benefit of the employees who participate in the plan and their beneficiaries, and
19 maintain the plan as an eligible deferred compensation plan, as defined in ~~26 USC~~
20 section 457 (b) of the Internal Revenue Code, and as a governmental plan for eligible
21 employers, as defined in ~~26 USC~~ section 457 (e) (1) (A) of the Internal Revenue Code.

22 ~~*-0244/1.38~~**SECTION 769.** 40.80 (2t) of the statutes is amended to read:

23 40.80 (2t) The deferred compensation board may require a deferred
24 compensation plan under this subchapter, upon election by a participant who is a an
25 eligible retired public safety officer, to allow for the deduction of insurance premiums

1 for health or long-term care insurance coverage from an amount distributed from a
2 participant's account and for the payment of the premiums directly to an insurer.

3 ***-0244/1.39*SECTION 770.** 40.81 (2) of the statutes is amended to read:

4 40.81 (2) Any local government employer, or 2 or more employers acting jointly,
5 may also elect under procedures established by the employer or employers to
6 contract directly with a deferred compensation plan provider to administer a
7 deferred compensation plan or to manage any compensation deferred under the plan
8 and may also provide a plan under section 403 (b) of the ~~internal revenue code~~
9 Internal Revenue Code under procedures established by the local government
10 employer or employers.

11 ***-0244/1.40*SECTION 771.** 40.86 (intro.) of the statutes is amended to read:

12 **40.86 Covered expenses.** (intro.) An employee-funded reimbursement
13 account plan may provide reimbursement to an employee for only the following
14 expenses that are actually incurred and paid by an employee and that the board
15 determines are consistent with the applicable requirements of the ~~internal revenue~~
16 ~~code~~ Internal Revenue Code:

17 ***-1130/4.51*SECTION 772.** 41.23 of the statutes is amended to read:

18 **41.23 Sale of excess or surplus property.** The department may acquire
19 excess or surplus property from the department of administration under ss. 16.72 (4)
20 (b) and 16.98 (1) or from the department of transportation under s. 84.09 (5s) and,
21 subject to any prior action under s. 13.48 (14) (am) or 16.848 (1), the department may
22 sell the property acquired under this section to any person at a price determined by
23 the department of tourism. All proceeds received by the department of tourism from
24 the sale of property under this section shall be credited to the appropriation account
25 under s. 20.380 (1) (h).

1 *–1130/4.52*SECTION 773. 41.41 (7) (b) of the statutes is amended to read:

2 41.41 (7) (b) ~~Lease~~ Subject to any prior action under s. 13.48 (14) (am) or 16.848
3 (1), lease land that is part of the Kickapoo valley reserve to any person for purposes
4 consistent with the management of the reserve under sub. (3), or for agricultural
5 purposes, and lease other land that is acquired by the board for any lawful purpose.

6 *–1190/2.1*SECTION 774. 42.106 (3) of the statutes is created to read:

7 42.106 (3) The state fair park board shall enter into a memorandum of
8 understanding with the department of administration regarding the provision of
9 police and security services to state fair park.

10 *–1130/4.53*SECTION 775. 44.015 (1) of the statutes is amended to read:

11 44.015 (1) Acquire any interest in real or personal property by gift, bequest or
12 otherwise in any amount and, subject to prior action under s. 13.48 (14) (am) or
13 16.848 (1), may operate, manage, sell, or rent ~~or convey~~ real estate acquired by gift,
14 bequest, foreclosure or other means, upon such terms and conditions as the board of
15 curators deems for its interests but may not sell, mortgage, transfer or dispose of in
16 any manner or remove from its buildings, except for temporary purposes, any article
17 therein without authority of law.

18 *–1130/4.54*SECTION 776. 44.16 (1) of the statutes is amended to read:

19 44.16 (1) ~~The~~ Subject to any prior action under s. 13.48 (14) (am) or 16.848 (1),
20 the historical society may enter into a lease agreement with the Circus World
21 Museum Foundation, Inc., for the purpose of operating Circus World Museum,
22 located in Baraboo, Wisconsin. The lease agreement shall not include any provision
23 for the payment of a percentage of gross admissions income at Circus World Museum
24 to the historical society.

25 *–1433/1.1*SECTION 777. 44.16 (1) of the statutes is amended to read:

1 44.16 (1) The historical society may enter into a lease agreement with the
2 Circus World Museum Foundation, Inc., for the purpose of operating Circus World
3 Museum, located in Baraboo, Wisconsin. The lease agreement shall not include any
4 provision for the payment of a percentage of gross admissions income at Circus World
5 Museum to the historical society. If a lease agreement under this subsection is not
6 in effect, the historical society shall operate and maintain Circus World Museum as
7 provided in s. 44.20 (1).

8 *~~1433/1.2~~**SECTION 778.** 44.20 (1) of the statutes is amended to read:

9 44.20 (1) The historical society shall operate and maintain the historic sites
10 known as Stonefield Village, Pendarvis, Villa Louis, Old Wade House, Madeline
11 Island Museum, Old World Wisconsin, H.H. Bennett ~~Studies~~ Studio, and, if the First
12 Capitol state park has been transferred to the historical society under 1993
13 Wisconsin Act 16, section 9142 (1e), First Capitol. If a lease agreement under s. 44.16
14 (1) is not in effect, the historical society shall also operate and maintain Circus World
15 Museum.

16 *~~0009/2.1~~**SECTION 779.** 45.02 (2) (intro.) of the statutes is amended to read:

17 45.02 (2) (intro.) Except as provided in sub. (3) and s. 45.51 (6m), to be eligible
18 for benefits under this chapter an applicant shall be a resident of and living in this
19 state at the time of making application or the veteran from whom the applicant
20 derives eligibility is deceased, and the veteran from whom eligibility is derived meets
21 one of the following conditions:

22 *~~1130/4.55~~**SECTION 780.** 45.03 (5) (c) 1. a. of the statutes is amended to read:

23 45.03 (5) (c) 1. a. Without limitation by reason of any other provisions of the
24 statutes except ~~s. ss. 13.48 (14) (am) and 16.848 (1)~~, unless otherwise required by law,
25 the power to sell and to convey title in fee simple to a nonprofit corporation any land

1 and any existing buildings owned by the state that are under the jurisdiction of the
2 department for the consideration and upon the terms and conditions as in the
3 judgment of the board are in the public interest.

4 ***-0399/1.1*SECTION 781.** 45.04 (1) (a) of the statutes is amended to read:

5 45.04 (1) (a) “Duly authorized representative” means any person authorized
6 in writing by the veteran to act for the veteran, the veteran’s guardian if the veteran
7 is adjudicated incompetent, or a legal representative if the veteran is deceased.
8 ~~Where for proper reason no representative~~ If no person is so authorized and no
9 guardian or legal representative has been or will be appointed, the veteran’s spouse,
10 an adult child of the veteran, or, if the veteran is unmarried, ~~either a parent or adult~~
11 sibling of the veteran shall be recognized as the duly authorized representative.

12 ***-0469/1.42*SECTION 782.** 45.20 (1) (d) of the statutes is amended to read:

13 45.20 (1) (d) “Tuition,” when referring to the University of Wisconsin System,
14 means academic fees and segregated fees; when referring to the technical colleges,
15 means “program fees” and “additional fees” as described in s. 38.24 (1m) and (1s); and
16 when referring to a high school, a school that is approved under s. 45.03 (11), or a
17 proprietary school that is approved under s. ~~38.50~~ 440.55, means the charge for the
18 courses for which a person is enrolled.

19 ***-0469/1.43*SECTION 783.** 45.20 (2) (a) 1. of the statutes is amended to read:

20 45.20 (2) (a) 1. The department shall administer a tuition reimbursement
21 program for eligible veterans enrolling as undergraduates in any institution of
22 higher education in this state, enrolling in a school that is approved under s. 45.03
23 (11), enrolling in a proprietary school that is approved under s. ~~38.50~~ 440.55,
24 enrolling in a public or private high school, enrolling in a tribal school, as defined in

1 s. 115.001 (15m), in any grade from 9 to 12, or receiving a waiver of nonresident
2 tuition under s. 39.47.

3 ***-0469/1.44*SECTION 784.** 45.20 (2) (a) 2. (intro.) of the statutes is amended
4 to read:

5 45.20 (2) (a) 2. (intro.) A veteran who is a resident of this state and otherwise
6 qualified to receive benefits under this subsection may receive the benefits under
7 this subsection upon the completion of any correspondence courses or part-time
8 classroom study from an institution of higher education located outside this state,
9 from a school that is approved under s. 45.03 (11), or from a proprietary school that
10 is approved under s. ~~38.50~~ 440.55, if any of the following applies:

11 ***-0469/1.45*SECTION 785.** 45.20 (2) (c) 1. of the statutes is amended to read:

12 45.20 (2) (c) 1. A veteran who meets the eligibility requirements under par. (b)
13 1. may be reimbursed upon satisfactory completion of an undergraduate semester in
14 any institution of higher education in this state, or upon satisfactory completion of
15 a course at any school that is approved under s. 45.03 (11), any proprietary school
16 that is approved under s. ~~38.50~~ 440.55, any public or private high school, any tribal
17 school, as defined in s. 115.001 (15m), that operates any grade from 9 to 12, or any
18 institution from which the veteran receives a waiver of nonresident tuition under s.
19 39.47. Except as provided in par. (e), the amount of reimbursement may not exceed
20 the total cost of the veteran's tuition minus any grants or scholarships that the
21 veteran receives specifically for the payment of the tuition, or, if the tuition is for an
22 undergraduate semester in any institution of higher education, the standard cost of
23 tuition for a state resident for an equivalent undergraduate semester at the
24 University of Wisconsin–Madison, whichever is less.

1 *~~0469/1.46~~*SECTION 786. 45.20 (2) (d) 1. (intro.) of the statutes is amended
2 to read:

3 45.20 (2) (d) 1. (intro.) Subject to subd. 1m., a veteran's eligibility for
4 reimbursement under this subsection at any institution of higher education in this
5 state, at a school that is approved under s. 45.03 (11), at a proprietary school that is
6 approved under s. ~~38.50~~ 440.55, at a public or private high school, at a tribal school,
7 as defined in s. 115.001 (15m), that operates any grade from 9 to 12, or at an
8 institution where he or she is receiving a waiver of nonresident tuition under s. 39.47
9 is limited to the following:

10 *~~1531/P2.2~~*SECTION 787. 45.205 of the statutes is created to read:

11 **45.205 Tuition reimbursement for students at tribal colleges. (1)**

12 DEFINITIONS. In this section:

13 (a) "Tribal college" means any of the following:

14 1. The College of Menominee Nation.

15 2. Lac Courte Oreilles Ojibwa Community College.

16 (b) "Tuition" means the amount charged to a student to enroll in a degree credit
17 course. "Tuition" does not include fees or the cost of room and board, books, supplies,
18 or equipment.

19 (2) TUITION REIMBURSEMENT PROGRAM. (a) *Application.* Any veteran enrolled
20 in a tribal college may apply to the department for tuition reimbursement under this
21 subsection on a form prescribed by the department. The application shall contain
22 information, as determined by the department, establishing the applicant's
23 eligibility for tuition reimbursement under this subsection.

24 (b) *Eligibility.* A veteran is eligible for tuition reimbursement under this
25 subsection if he or she meets all of the following conditions:

1 1. The veteran is enrolled as a member of a federally recognized American
2 Indian tribe or band in this state.

3 2. The veteran's annual household income does not exceed \$50,000 plus \$1,000
4 for each dependent in excess of 2 dependents.

5 3. The veteran is a resident of this state at the time of application under par.
6 (a).

7 4. The veteran was a resident of this state at the time of his or her entry into
8 service or was a resident of this state for any consecutive 12-month period after entry
9 into service and before the date of application under par. (a). If a veteran who
10 submits an application under par. (a) meets that consecutive 12-month residency
11 requirement, the department may not require the veteran to reestablish that he or
12 she meets that residency requirement when he or she later applies for any other
13 benefit under this chapter for which that residency requirement applies.

14 5. The veteran does not have a bachelor's or higher degree from an institution
15 of higher education, as defined in 20 USC 1001 (a).

16 (c) *Benefits.* 1. Subject to the limitations under par. (d), if a veteran submits
17 an application under par. (a) and establishes his or her eligibility for tuition
18 reimbursement under par. (b), the department shall reimburse the veteran for the
19 total amount of his or her tribal college tuition from the appropriation under s. 20.485
20 (2) (km).

21 2. If in any fiscal year the total amount of reimbursement payments to be paid
22 under subd. 1. exceeds the moneys available for the payments from the appropriation
23 under s. 20.485 (2) (km), the department shall prorate the available moneys among
24 the applicants for reimbursement in proportion to the approved reimbursement
25 amounts.

1 (d) *Limitations.* 1. The department may not reimburse a veteran under this
2 subsection for more than the following number of credits or semesters at a tribal
3 college:

4 a. If the veteran served on active duty, except service on active duty for training
5 purposes, for 90 to 180 days, 30 credits or 2 semesters.

6 b. If the veteran served on active duty, except service on active duty for training
7 purposes, for 181 to 730 days, 60 credits or 4 semesters.

8 c. If the veteran served on active duty, except service on active duty for training
9 purposes, for more than 730 days, 120 credits or 8 semesters, except that, for courses
10 a veteran begins later than 10 years after the veteran's separation from service, the
11 department may not reimburse a veteran for more than 60 credits or 4 semesters.

12 3. The department may not provide reimbursement under this subsection to
13 a veteran who is delinquent in child support or maintenance payments or who owes
14 past support, medical expenses, or birth expenses, as established by appearance of
15 the veteran's name on the statewide support lien docket under s. 49.854 (2) (b), unless
16 the veteran provides the department with one of the following:

17 a. A repayment agreement that the veteran has entered into, that has been
18 accepted by the county child support agency under s. 59.53 (5), and that has been
19 kept current for the 6-month period immediately preceding the date of the
20 application under par. (a).

21 b. A statement that the veteran is not delinquent in child support or
22 maintenance payments and does not owe past support, medical expenses, or birth
23 expenses, signed by the department of children and families or its designee within
24 7 working days before the date of the application under par. (a).

1 4. The department may not provide reimbursement under this subsection for
2 any semester in which the veteran is eligible for or received a grant under s. 321.40
3 or under 10 USC 2007.

4 5. The department may not provide reimbursement under this subsection for
5 any semester for which the veteran received reimbursement under s. 45.20.

6 6. The department may not provide reimbursement under this subsection for
7 any semester in which the veteran fails to receive at least a 2.0 grade point average
8 or an average grade of "C."

9 7. The department shall reduce the reimbursement amount under par. (c) by
10 the amount of any grant or scholarship the veteran receives specifically for the
11 payment of college tuition.

12 **(3) RULES.** The department shall promulgate rules to implement this section.

13 ***-0469/1.47*SECTION 788.** 45.21 (2) (a) of the statutes is amended to read:

14 45.21 (2) (a) The veteran is enrolled in a training course in a technical college
15 under ch. 38 or in a proprietary school in the state approved by the educational
16 approval board under s. ~~38.50~~ 440.55, other than a proprietary school offering a
17 4-year degree or 4-year program, or is engaged in a structured on-the-job training
18 program that meets program requirements promulgated by the department by rule.

19 ***-1427/P2.2*SECTION 789.** 45.41 (2) (a) of the statutes is amended to read:

20 45.41 (2) (a) If the total amount paid under sub. (3) is from \$1 to ~~\$2,499~~
21 \$119,999, the organization shall receive an amount equal to 50 percent of the amount
22 paid.

23 ***-1427/P2.3*SECTION 790.** 45.41 (2) (b) of the statutes is repealed.

24 ***-1427/P2.4*SECTION 791.** 45.41 (2) (c) of the statutes is repealed.

25 ***-1427/P2.5*SECTION 792.** 45.41 (2) (d) of the statutes is amended to read:

1 45.41 (2) (d) If the total amount paid under sub. (3) is \$120,000 or more, the
2 organization shall receive ~~\$30,000~~ \$70,000.

3 ***-1427/P2.6*SECTION 793.** 45.41 (2) (e) of the statutes is created to read:

4 45.41 (2) (e) An organization that receives a payment under par. (a) or (d) shall
5 maintain records as required by the department concerning the organization's
6 expenditure of the payment. That organization shall give the department access to
7 those records upon request of the department, and the department may audit those
8 records.

9 ***-1427/P2.7*SECTION 794.** 45.41 (3m) of the statutes is amended to read:

10 45.41 (3m) If the total amount of payments required to be paid under sub. (2)
11 (a) ~~to (e)~~ and (d) exceeds the amount available for the payments from the
12 appropriation under s. 20.485 (2) (vw), the department shall prorate the
13 reimbursement payments among the state veterans organizations receiving the
14 payments.

15 ***-1427/P2.8*SECTION 795.** 45.41 (4) of the statutes is renumbered 45.41 (4) (a)
16 and amended to read:

17 45.41 (4) (a) From the appropriation under s. 20.485 (2) (s), the department
18 shall annually provide a payment of ~~\$100,000~~ \$120,000 to the Wisconsin department
19 of the Disabled American Veterans for the provision of transportation services to
20 veterans.

21 ***-1427/P2.9*SECTION 796.** 45.41 (4) (b) of the statutes is created to read:

22 45.41 (4) (b) The Wisconsin department of the Disabled American Veterans
23 shall maintain records as required by the department concerning its expenditure of
24 the payment under par. (a). The Wisconsin department of the Disabled American
25 Veterans shall give the department access to those records upon request of the

1 department and the department may audit those records to ensure that the
2 Wisconsin department of the Disabled American Veterans is using the payment
3 under par. (a) to provide transportation services to veterans.

4 ***-1427/P2.10*SECTION 797.** 45.41 (5) of the statutes is created to read:

5 45.41 (5) From the appropriation under s. 20.485 (2) (vw), the department may
6 annually grant up to \$50,000 to the Wisconsin department of the American Legion
7 for the operation of Camp American Legion.

8 ***-0390/P3.2*SECTION 798.** 45.43 (1) of the statutes is amended to read:

9 45.43 (1) The department shall administer a program to provide assistance to
10 persons who served in the U.S. armed forces or in forces incorporated as part of the
11 U.S. armed forces and who were discharged under conditions other than
12 dishonorable. The department shall provide assistance under this section to persons
13 whose need for services is based upon homelessness, incarceration, or other
14 circumstances designated by the department by rule. The eligibility requirements
15 under s. 45.02 (2) do not apply to a person applying for assistance under this section.

16 The department shall designate the assistance available under this section, which
17 may include assistance in receiving medical care, dental care, education,
18 employment, single room occupancy housing, and transitional housing. The
19 department may provide payments to facilitate the provision of services under this
20 section. ~~From the appropriation under s. 20.485 (2) (ac), the department shall~~
21 ~~provide \$15,000 annually during fiscal years 2007-08 and 2008-09 to the Center for~~
22 ~~Veterans Issues, Ltd., of Milwaukee, to provide outreach services to homeless~~
23 ~~veterans with post-traumatic stress disorder.~~

24 ***-0390/P3.3*SECTION 799.** 45.43 (3) of the statutes is repealed.

25 ***-0387/6.11*SECTION 800.** 45.44 (1) (a) 5. of the statutes is amended to read:

45.44 (1) (a) 5. A license, certification, registration, or permit issued under s. 94.10 (2), (3), or (3g), 94.50 (2), 94.704, 95.60, 97.17 (2), 97.175 (2), 97.22 (2), 98.145, 98.146, ~~or~~ 98.18 (1) (a), or 168.23 (3).

***-0221/P3.1*SECTION 801.** 45.44 (1) (a) 11m. of the statutes is created to read:

45.44 (1) (a) 11m. A registration issued under s. 202.13 or 202.14.

***-1499/P2.2*SECTION 802.** 45.45 of the statutes is created to read:

45.45 Grant to VETransfer, Inc. (1) PAYMENT. From the appropriation under s. 20.485 (2) (vm), the department shall pay \$500,000 to VETransfer, Inc., in fiscal year 2013–14, subject to the requirements under subs. (2) to (5).

(2) GRANTS TO VETERAN-OWNED START-UP BUSINESSES. Of the moneys VETransfer, Inc., receives under sub. (1), VETransfer, Inc., shall grant at least \$300,000 to veterans who are residents of this state or to businesses owned by veterans who are residents of this state. A veteran or a veteran's business that is awarded a grant under this subsection may use the grant only to pay for costs associated with the start-up of a business located in this state that the veteran owns.

(3) VETERAN ENTREPRENEURSHIP TRAINING. Of the moneys VETransfer, Inc., receives under sub. (1), VETransfer, Inc., may use up to \$200,000 to provide entrepreneurial training and related services to veterans who are residents of this state.

(4) REPORTING AND AUDIT REQUIREMENTS. (a) Annually, by March 1, until 2018 or one year following the date established by the department under sub. (5) (a), VETransfer, Inc., shall submit to the secretary, the governor, and the secretary of administration a report that includes all of the following:

(a) The most recent financial statement for VETransfer, Inc.

1 (b) A detailed description of the criteria VETransfer, Inc., used to determine
2 who received a grant under sub. (2) during the previous year.

3 (c) A verified statement describing in detail the grants VETransfer, Inc., made
4 under sub. (2), and the expenditures VETransfer, Inc., made under sub. (3), during
5 the previous year, signed by an independent certified public accountant and the
6 director or principal officer of VETransfer, Inc., to attest to the accuracy of the
7 verified statement. The verified statement shall include all of the following
8 concerning each award of a grant VETransfer, Inc., made under sub. (2) during the
9 previous year:

10 1. The name and address of the grant recipient and the name and address of
11 the start-up business.

12 2. The names and addresses of all of the start-up business's owners, including
13 an identification of the business's owners who are veterans, and, if the grant
14 recipient was a business other than the start-up business, the names and addresses
15 of the grant recipient's owners, including an identification of the business's owners
16 who are veterans.

17 3. The names and addresses of the start-up business's board of directors and
18 key management employees and, if the grant recipient was a business other than the
19 start-up business, the names and addresses of the grant recipient's board of
20 directors and key management employees.

21 4. A description of the nature of the start-up business.

22 5. Any information the grant recipient submitted to VETransfer, Inc., to apply
23 for the grant.

24 6. The amount of the grant and the date VETransfer, Inc., awarded the grant.

1 7. A statement of the number of employees the start-up business employed on
2 January 1 of the previous year and the number of employees the start-up business
3 employed on December 31 of the previous year.

4 (d) A summary of all investments and grants of any kind that VETransfer, Inc.,
5 made during the previous year.

6 (e) VETransfer, Inc., shall maintain records, as required by the department,
7 concerning its expenditures of the moneys it receives under sub. (1). VETransfer,
8 Inc., shall give the department access to those records upon request of the
9 department, and the department may audit those records to ensure compliance with
10 the requirements under this section.

11 (5) SUNSET. (a) Except as provided under par. (b), VETransfer, Inc., may not
12 expend any moneys it receives under sub. (1) after June 30, 2017 or a later date
13 established by the department.

14 (b) VETransfer, Inc., shall pay to the secretary of administration for deposit in
15 the general fund any moneys it receives under sub. (1) but does not expend by June
16 30, 2017, or by a later date established by the department under par. (a).

17 *~~1231/4.14~~**SECTION 803.** 45.50 (2m) (e) of the statutes is amended to read:

18 45.50 (2m) (e) All moneys received as reimbursement for services to veterans
19 homes employees or as payment for meals served to guests at veterans homes shall
20 be accumulated in an account named “employee maintenance credits” and shall be
21 paid into the general fund within one week after receipt and credited to the
22 appropriation account under s. 20.485 (1) ~~(gk)~~ (r). This paragraph does not apply to
23 any agreement entered into pursuant to par. (c).

24 *~~0388/1.1~~**SECTION 804.** 45.50 (11) of the statutes is created to read:

1 45.50 (11) MEDICAL ASSISTANCE ASSESSMENT EXEMPTION. A Wisconsin veterans
2 home is exempt from paying any assessment imposed on the licensed beds in the
3 home under s. 50.14 (2) (am).

4 *-0009/2.2*SECTION 805. 45.51 (2) (b) 1. of the statutes is repealed.

5 *-0007/P2.1*SECTION 806. 45.51 (2) (b) 5. of the statutes is amended to read:

6 45.51 (2) (b) 5. Has care needs that the veterans home is able to provide within
7 the resources allocated for the care of members of the veterans home, ~~including~~
8 ~~chronic alcoholism, drug addiction, psychosis, or active tuberculosis.~~

9 *-0057/2.1*SECTION 807. 45.51 (3) (a) of the statutes is renumbered 45.51 (3)
10 (a) 2.

11 *-0057/2.2*SECTION 808. 45.51 (3) (a) 1. of the statutes is created to read:

12 45.51 (3) (a) 1. In this paragraph, "physical care" includes skilled rehabilitation
13 services following a hospital stay that meets the qualifications under 42 CFR 409.30.

14 *-0009/2.3*SECTION 809. 45.51 (3) (c) 1. (intro.) of the statutes is amended to
15 read:

16 45.51 (3) (c) 1. (intro.) The categories for the order of priority for admission to
17 a veterans home shall be as follows:

18 *-0009/2.4*SECTION 810. 45.51 (3) (c) 1m. of the statutes is created to read:

19 45.51 (3) (c) 1m. Within each category specified in subd. 1., the following order
20 of priority shall apply:

21 a. A person who is a resident of the state on the date of application for
22 membership in a veterans home and who has been residing continuously in the state
23 for a period of more than 6 months immediately preceding the date of application for
24 membership has first priority for admission.

1 b. A person who is a resident of the state on the date of application for
2 membership in a veterans home and who has been residing continuously in the state
3 for a period of 6 months or less immediately preceding the date of application for
4 membership has 2nd priority for admission.

5 c. A person who is not a resident of the state on the date of application for
6 membership in a veterans home has 3rd priority for admission.

7 ***-0009/2.5*SECTION 811.** 45.51 (5) (intro.) of the statutes is amended to read:

8 45.51 (5) ADDITIONAL ELIGIBILITY REQUIREMENTS OF A SURVIVING SPOUSE. (intro.)

9 The surviving spouse of a person under sub. (2) (a) 1. or 2. ~~who was a resident of this~~
10 ~~state at the time of the veteran's death~~ is eligible if the surviving spouse meets the
11 requirements of sub. (2) (b) 3. to 5. and if the surviving spouse satisfies all of the
12 following conditions:

13 ***-0009/2.6*SECTION 812.** 45.51 (5) (f) of the statutes is repealed.

14 ***-0009/2.7*SECTION 813.** 45.51 (6) (intro.) of the statutes is amended to read:

15 45.51 (6) ADDITIONAL ELIGIBILITY REQUIREMENTS OF PARENTS. (intro.) The parent
16 of a person under sub. (2) (a) 1. or 2. ~~who was a resident of this state at the time of~~
17 ~~the person's death or, the parent of a living person under sub. (2) (a) 1. or 2. who is~~
18 ~~eligible for membership, or the parent of a person who died while in the service is~~
19 eligible if the parent meets the requirements of sub. (2) (b) 3. to 5. and if the parent
20 satisfies all of the following conditions:

21 ***-0009/2.8*SECTION 814.** 45.51 (6) (b) of the statutes is repealed.

22 ***-0009/2.9*SECTION 815.** 45.51 (6m) of the statutes is created to read:

23 45.51 (6m) RESIDENCY. In order to be eligible for benefits under this subchapter,
24 a person specified under sub. (2) (a) 1., 2., or 3. does not have to be a resident of this
25 state on the date of application for membership.

1 ***-0008/P2.1*SECTION 816.** 45.51 (12) of the statutes is amended to read:

2 45.51 (12) ~~POWERS OF COMMANDANT~~ OVER PERSONAL FUNDS OF MEMBERS. A
3 commandant, the secretary, or the secretary's designee may receive, disburse, and
4 account for funds of members.

5 ***-0009/2.10*SECTION 817.** 45.61 (2) (f) of the statutes is created to read:

6 45.61 (2) (f) A person who is a member of a veterans home under s. 45.50.

7 ***-1231/4.15*SECTION 818.** 45.61 (3) of the statutes is amended to read:

8 45.61 (3) FEES AND COSTS. The department may charge a fee for burials under
9 this section and may promulgate rules for the assessment of any fee. The cost of
10 preparing the grave and the erection of a marker for a person described under sub.
11 (2) (a), (b), (d), or (e) shall be paid from the appropriation under s. 20.485 (1) ~~(gk)~~ (r).

12 ***-0009/2.11*SECTION 819.** 45.61 (4) of the statutes is renumbered 45.61 (4) (a).

13 ***-0009/2.12*SECTION 820.** 45.61 (4) (b) of the statutes is created to read:

14 45.61 (4) (b) In processing applications for burial plots, the department shall
15 maintain a waiting list for each of the cemeteries operated under sub. (1) and shall
16 give priority to state residents on each waiting list.

17 ***-1231/4.16*SECTION 821.** 45.61 (5) (a) of the statutes is amended to read:

18 45.61 (5) (a) Expenses incident to the burial under this section of persons
19 described in sub. (2) (a) and (b) to (e) shall be paid from the estate of the decedent,
20 except that if there is no estate or the estate is insufficient, the expense of burial, or
21 necessary part of the burial, shall be paid from the appropriation under s. 20.485 (1)
22 ~~(gk)~~ (r) for members of veterans homes, and the amount expended for those expenses
23 shall not exceed the amount established for funeral and burial expenses under s.
24 49.785 (1) (b).

25 ***-1357/1.1*SECTION 822.** 45.70 (1) of the statutes is renumbered 45.70 (1m).

1 ***-1357/1.2*SECTION 823.** 45.70 (1b) (title) of the statutes is created to read:

2 45.70 (1b) (title) ESTABLISHMENT AND MODIFICATIONS OF MEMORIALS.

3 ***-1357/1.3*SECTION 824.** 45.70 (1b) (b) of the statutes is created to read:

4 45.70 (1b) (b) The board may act under par. (a) only if the department estimates
5 that the cost of implementing the proposal for an established or future state
6 memorial will exceed \$25,000.

7 ***-1357/1.4*SECTION 825.** 45.70 (2) (a) of the statutes is renumbered 45.70 (1b)
8 (a) and amended to read:

9 45.70 (1b) (a) The board may approve, recommend, and veto any proposed
10 plans, modifications, and changes or policies with respect to established state
11 memorials, ~~including the Camp Randall Memorial Park, Madison, Wisconsin, as~~
12 ~~described in par. (c),~~ and any future veterans state memorials, and may recommend
13 the creation and establishment of future veterans state memorials.

14 ***-1357/1.5*SECTION 826.** 45.70 (2) (b) of the statutes is amended to read:

15 45.70 (2) (b) No structures, other than memorials approved by the board, and
16 no walks, roads, or subterranean footings may be placed or erected upon Camp
17 Randall Memorial Park, Madison Wisconsin, as described in par. (c), unless
18 authorized by the legislature; nor shall the park be used for any purpose other than
19 a memorial park.

20 ***-1208/P2.2*SECTION 827.** 45.82 (4) of the statutes is amended to read:

21 45.82 (4) The department shall provide grants to the governing bodies of
22 federally recognized American Indian tribes and bands from the appropriation
23 under s. 20.485 (2) (km) or (vw) if that governing body enters into an agreement with
24 the department regarding the creation, goals, and objectives of a tribal veterans
25 service officer, appoints a veteran to act as a tribal veterans service officer, and gives

1 that veteran duties similar to the duties described in s. 45.80 (5), except that the
2 veteran shall report to the governing body of the tribe or band. The department may
3 make annual grants of up to ~~\$8,500~~ \$15,000 per grant under this subsection and shall
4 promulgate rules to implement this subsection.

5 ***-1130/4.56*SECTION 828.** 46.03 (30) (a) of the statutes is amended to read:

6 46.03 (30) (a) To provide for an orderly reduction of state institutional primary
7 psychiatric services the department may approve the institutes entering into
8 contracts with county departments under s. 51.42 for providing primary psychiatric
9 care. If excess capacity exists at state operated mental health institutes, the
10 department shall, subject to ~~s. ss. 13.48 (14) (am) and 16.848 (1)~~, explore the possible
11 sale or lease of such excess facilities to a county department under s. 51.42.

12 ***-1130/4.57*SECTION 829.** 46.035 (2) (a) of the statutes is amended to read:

13 46.035 (2) (a) Without limitation by reason of any other provisions of the
14 statutes except ~~s. ss. 13.48 (14) (am) and 16.848 (1)~~, the power to sell and to convey
15 title in fee simple to a nonprofit corporation any land and any existing buildings
16 thereon owned by, or owned by the state and held for, the department or of any of the
17 institutions under the jurisdiction of the department for such consideration and
18 upon such terms and conditions as in the judgment of the secretary are in the public
19 interest.

20 ***-0676/P1.1*SECTION 830.** 46.057 (2) of the statutes is amended to read:

21 46.057 (2) From the appropriation account under s. 20.410 (3) (ba), the
22 department of corrections shall transfer to the appropriation account under s. 20.435
23 (2) (kx) \$1,365,500 in each fiscal year and, from the appropriation account under s.
24 20.410 (3) (hm), the department of corrections shall transfer to the appropriation
25 account under s. 20.435 (2) (kx) ~~\$2,890,700~~ \$2,707,100 in fiscal year ~~2011-12~~

1 2013-14 and ~~\$2,964,000~~ \$2,772,800 in fiscal year ~~2012-13~~ 2014-15, for services for
2 juveniles placed at the Mendota juvenile treatment center. The department of health
3 services may charge the department of corrections not more than the actual cost of
4 providing those services.

5 ~~*-1130/4.58*~~**SECTION 831.** 46.06 (4) of the statutes is amended to read:

6 46.06 (4) SALES. The department may, with the approval of the building
7 commission, and subject to any prior action under s. 13.48 (14) (am) or 16.848 (1), sell
8 and convey such lands under the jurisdiction of the department as the secretary
9 deems to be in excess of the present or future requirements of the department for
10 either the operation of its facilities or programs, for the maintenance of buffer zones
11 adjacent to its facilities or for other public purposes. The proceeds of such sales are
12 subject to s. 13.48 (14) (c).

13 ~~*-0422/P4.3*~~**SECTION 832.** 46.07 of the statutes is amended to read:

14 **46.07 Property of patients or residents.** All money including wages and
15 other property delivered to an officer or employee of any institution for the benefit
16 of a patient or resident shall immediately be delivered to the steward, who shall enter
17 the money upon the steward's books to the credit of the patient or resident. The
18 property shall be used only under the direction and with the approval of the
19 superintendent and for the crime victim and witness assistance surcharge under s.
20 973.045 (4), the delinquency victim and witness assistance surcharge under s. 938.34
21 (8d) (c), the deoxyribonucleic acid analysis surcharge under s. 973.046 (1r), the child
22 pornography surcharge under s. 973.042, the drug offender diversion surcharge
23 under s. 973.043, or the benefit of the patient or resident. If the money remains
24 uncalled for for one year after the patient's or resident's death or departure from the
25 institution, the superintendent shall deposit the money in the general fund. If any

1 patient or resident leaves property, other than money, uncalled for at an institution
2 for one year, the superintendent shall sell the property, and the proceeds shall be
3 deposited in the general fund. If any person satisfies the department, within 5 years
4 after the deposit, of his or her right to the deposit, the department shall direct the
5 department of administration to draw its warrant in favor of the claimant and it shall
6 charge the same to the appropriation made by s. 20.913 (3) (c).

7 ***-0068/4.2*SECTION 833.** 46.21 (1) (d) of the statutes is amended to read:

8 46.21 (1) (d) “Human services” means the total range of services to people,
9 including mental illness treatment, developmental disabilities services, physical
10 disabilities services, income maintenance, youth probation, extended supervision
11 and parole services, alcohol and drug abuse services, services to children, youth and
12 families, family counseling, early intervention services for children from birth to the
13 age of 3, and manpower services. “Human services” does not include child welfare
14 services administered by the department of children and families under s. 48.48 (17)
15 ~~administered by the department in a county having a population of 500,000 or more.~~

16 ***-0068/4.3*SECTION 834.** 46.215 (1) (intro.) of the statutes is amended to read:

17 46.215 (1) CREATION; POWERS AND DUTIES. (intro.) ~~In~~ Except as provided in ss.
18 49.155 (3g), 49.78 (1r), 49.825, and 49.826, in a county with a population of 500,000
19 750,000 or more the administration of welfare services, other than child welfare
20 services administered by the department of children and families under s. 48.48 (17)
21 ~~administered by the department and except as provided in ss. 49.155 (3g), 49.78 (1r),~~
22 ~~49.825, and 49.826,~~ is vested in a county department of social services under the
23 jurisdiction of the county board of supervisors under s. 46.21 (2m) (b) 1. a. Any
24 reference in any law to a county department of social services under this section
25 applies to a county department under s. 46.21 (2m) in its administration under s.

1 46.21 (2m) of the powers and duties of the county department of social services.
2 Except as provided in ss. 49.155 (3g), 49.78 (1r), 49.825, and 49.826, the county
3 department of social services shall have the following functions, duties, and powers,
4 and such other welfare functions as may be delegated to it:

5 ***-0617/2.4*SECTION 835.** 46.27 (7g) (a) 1m. of the statutes is created to read:
6 46.27 (7g) (a) 1m. “Decedent” means a deceased client or a deceased nonclient
7 surviving spouse, whichever is applicable.

8 ***-0617/2.5*SECTION 836.** 46.27 (7g) (a) 4. of the statutes is created to read:
9 46.27 (7g) (a) 4. “Nonclient surviving spouse” means any person who was
10 married to a client while the client was receiving services for which the cost may be
11 recovered under par. (c) 1. and who survived the client.

12 ***-0617/2.6*SECTION 837.** 46.27 (7g) (a) 5. of the statutes is created to read:
13 46.27 (7g) (a) 5. a. “Property of a decedent” means all real and personal
14 property to which the client held any legal title or in which the client had any legal
15 interest immediately before death, to the extent of that title or interest, including
16 assets transferred to a survivor, heir, or assignee through joint tenancy, tenancy in
17 common, survivorship, life estate, living trust, or any other arrangement.

18 b. Notwithstanding subd. 5. a., “property of a decedent” includes all real and
19 personal property in which the nonclient surviving spouse had an ownership interest
20 at the client’s death and in which the client had a marital property interest with that
21 nonclient surviving spouse at any time within 5 years before the client applied for
22 long-term community support services funded under sub. (7) or during the time that
23 the client was eligible for long-term community support services funded under sub.
24 (7).

25 ***-0617/2.7*SECTION 838.** 46.27 (7g) (c) 1. of the statutes is amended to read:

1 46.27 (7g) (c) 1. Except as provided in subd. 4., the department shall file a claim
2 against the estate of a client ~~or, and~~ against the estate of ~~the~~ a nonclient surviving
3 spouse ~~of a client~~, for the amount of long-term community support services funded
4 under sub. (7) paid on behalf of the client after the client attained 55 years of age,
5 unless already recovered by the department under this subsection.

6 ***-0617/2.8*SECTION 839.** 46.27 (7g) (c) 2m. of the statutes is created to read:

7 46.27 (7g) (c) 2m. a. Property that is subject to the department's claim under
8 subd. 1. in the estate of a client or in the estate of a nonclient surviving spouse is all
9 property of a decedent that is included in the estate.

10 b. There is a presumption, which may be rebutted by clear and convincing
11 evidence, that all property in the estate of the nonclient surviving spouse was marital
12 property held with the client and that 100 percent of the property in the estate of the
13 nonclient surviving spouse is subject to the department's claim under subd. 1.

14 ***-0617/2.9*SECTION 840.** 46.27 (7g) (c) 3. (intro.) of the statutes is amended to
15 read:

16 46.27 (7g) (c) 3. (intro.) The court shall reduce the amount of a claim under
17 subd. 1. by up to the amount specified in s. 861.33 (2) if necessary to allow the client's
18 decedent's heirs or the beneficiaries of the ~~client's~~ decedent's will to retain the
19 following personal property:

20 ***-0617/2.10*SECTION 841.** 46.27 (7g) (c) 5. a. of the statutes is amended to read:

21 46.27 (7g) (c) 5. a. If the department's claim is not allowable because of subd.
22 4. and the estate includes an interest in real property, including a home, the court
23 exercising probate jurisdiction shall, in the final judgment or summary findings and
24 order, assign the interest in the ~~home~~ real property subject to a lien in favor of the
25 department for the amount described in subd. 1. The personal representative or

petitioner for summary settlement or summary assignment of the estate shall record the final judgment as provided in s. 863.29, 867.01 (3) (h), or 867.02 (2) (h).

***-0617/2.11*SECTION 842.** 46.27 (7g) (c) 5. b. of the statutes is amended to read:

46.27 (7g) (c) 5. b. If the department's claim is not allowable because of subd. 4., the estate includes an interest in real property, including a home, and the personal representative closes the estate by sworn statement under s. 865.16, the personal representative shall stipulate in the statement that the ~~home~~ real property is assigned subject to a lien in favor of the department for the amount described in subd.

1. The personal representative shall record the statement in the same manner as described in s. 863.29, as if the statement were a final judgment.

***-0617/2.12*SECTION 843.** 46.27 (7g) (c) 6. (intro.) of the statutes is amended to read:

46.27 (7g) (c) 6. (intro.) The department may not enforce ~~the~~ a lien under subd. 5. as long as any of the following survive the decedent:

***-0617/2.13*SECTION 844.** 46.27 (7g) (c) 6m. of the statutes is created to read:

46.27 (7g) (c) 6m. All of the following apply to a lien under subd. 5. that the department may not enforce because of subd. 6.:

a. If the decedent's surviving spouse or child who is under age 21 or disabled refinances a mortgage on the real property, the lien is subordinate to the new encumbrance.

b. The department shall release the lien in the circumstances described in s. 49.848 (5) (f).

***-0617/2.14*SECTION 845.** 46.27 (7g) (g) of the statutes is amended to read:

46.27 (7g) (g) The department shall promulgate rules establishing standards for determining whether the application of this subsection would work an undue

1 hardship in individual cases. If the department determines that the application of
2 this subsection would work an undue hardship in a particular case, the department
3 shall waive application of this subsection in that case. This paragraph does not apply
4 with respect to claims against the estates of nonclient surviving spouses.

5 ***-1096/3.1*SECTION 846.** 46.286 (1m) of the statutes is created to read:

6 46.286 (1m) INCOME AND ASSETS EXCLUDED. For purposes of determining a
7 person's financial eligibility under sub. (1) (b) and cost-sharing requirements under
8 sub. (2), to the extent approved by the federal government, the department or its
9 designee shall exclude any assets accumulated in an independence account, as
10 defined in s. 49.472 (1) (c), and any income or assets from retirement benefits earned
11 or accumulated from employment income or employer contributions while the person
12 was employed and eligible for and receiving medical assistance under s. 49.472.

13 ***-0617/2.15*SECTION 847.** 46.286 (7) of the statutes is amended to read:

14 46.286 (7) RECOVERY OF FAMILY CARE BENEFIT PAYMENTS, RULES. The department
15 shall ~~promulgate rules relating~~ apply to the recovery from persons who receive the
16 family care benefit, including by liens and affidavits and from estates, of correctly
17 ~~and incorrectly paid family care benefits, that are substantially similar to the~~
18 applicable provisions under ss. 49.496 and 49.497, 49.848, and 49.849.

19 ***-0617/2.16*SECTION 848.** 46.287 (2) (a) 1. k. of the statutes is amended to
20 read:

21 46.287 (2) (a) 1. k. Recovery of family care benefit payments ~~under s. 46.286~~
22 ~~(7).~~

23 ***-1037/1.1*SECTION 849.** 46.48 (30) (a) of the statutes is amended to read:

24 46.48 (30) SUBSTANCE ABUSE TREATMENT GRANTS. (a) From the appropriation
25 account under s. 20.435 ~~(7)~~ (5) (bc), the department shall distribute grants on a

1 competitive basis to county departments of social services and to private nonprofit
2 organizations, as defined in s. 103.21 (2), for the provision of alcohol and other drug
3 abuse treatment services in counties with a population of 500,000 or more. Grants
4 distributed under this subsection may be used only to provide treatment for alcohol
5 and other drug abuse to individuals who are eligible for federal temporary assistance
6 for needy families under 42 USC 601 et. seq. and who have a family income of not
7 more than 200% of the poverty line, as defined in s. 49.001 (5).

8 ***-1215/1.1*SECTION 850.** 46.48 (31) of the statutes is created to read:

9 46.48 (31) PEER RUN RESPITE CENTERS. The department may distribute not more
10 than \$1,200,000 in each fiscal year, beginning in fiscal year 2014-15, to regional peer
11 run respite centers for individuals with mental health and substance abuse
12 concerns.

13 ***-1037/1.2*SECTION 851.** 46.52 of the statutes is amended to read:

14 **46.52 Systems change grants.** From the appropriation under s. 20.435 (7)
15 (5) (md), the department shall distribute funds to each grant recipient under this
16 section so as to permit initial phasing in of recovery-oriented system changes,
17 prevention and early intervention strategies, and consumer and family involvement
18 for individuals with mental illness. At least 10% of the funds distributed shall be for
19 children with mental illness.

20 ***-1037/1.3*SECTION 852.** 46.53 of the statutes is amended to read:

21 **46.53 Mental health treatment provider training.** From the
22 appropriation under s. 20.435 (7) (5) (md), the department may not distribute more
23 than \$182,000 in each fiscal year to provide training for mental health treatment
24 professionals on new mental health treatment approaches in working with special

1 populations, including seriously mentally ill individuals and children with serious
2 emotional disturbances, and on the use of new mental health treatment medications.

3 ***-1037/1.4*SECTION 853.** 46.54 of the statutes is amended to read:

4 **46.54 Consumer and family self-help and peer-support programs.**

5 From the appropriation under s. 20.435 ~~(7)~~ (5) (md), the department shall distribute
6 \$874,000 in each fiscal year to increase support for mental health family support
7 projects, employment projects operated by consumers of mental health services,
8 mental health crisis intervention and drop-in projects, and public mental health
9 information activities.

10 ***-1037/1.5*SECTION 854.** 46.55 (3m) of the statutes is amended to read:

11 46.55 (3m) Within the limits of available funding under s. 20.435 ~~(7)~~ (5) (mb),
12 the department shall award grants under this section in a total amount for all grants
13 of not more than \$250,000 in each fiscal year.

14 ***-1221/1.2*SECTION 855.** 46.56 (1) (hm) of the statutes is created to read:

15 46.56 (1) (hm) “Multi-entity initiative” means an initiative including more
16 than one county or tribe that is established under sub. (2) (b).

17 ***-1221/1.3*SECTION 856.** 46.56 (2) of the statutes is renumbered 46.56 (2) (a)

18 and amended to read:

19 46.56 (2) (a) If Except as provided in par. (b), if a county board of supervisors
20 establishes an initiative under s. 59.53 (7) or if a tribe establishes an initiative, the
21 county board or tribe shall appoint a coordinating committee and designate an
22 administering agency. The initiative may be funded by the county or tribe or the
23 county board of supervisors or tribe may apply for funding by the state in accordance
24 with sub. (15).

25 ***-1221/1.4*SECTION 857.** 46.56 (2) (b) of the statutes is created to read:

1 46.56 (2) (b) A county may enter into an agreement with one or more other
2 counties or tribes to establish an initiative and a tribe may enter into an agreement
3 with one or more counties or tribes to establish an initiative. The parties to the
4 agreement shall designate in the agreement a single lead administrative county or
5 lead administrative tribe. The county board of the lead administrative county or the
6 lead administrative tribe shall appoint a coordinating committee and designate an
7 administering agency. The initiative may be funded by the participating entities, or
8 the county board of supervisors of the lead administrative county or the lead
9 administrative tribe may apply for funding by the state in accordance with sub. (15).

10 *~~1221/1.5~~*SECTION 858. 46.56 (3) (bm) of the statutes is created to read:

11 46.56 (3) (bm) 1. The coordinating committee of a multi-entity initiative shall
12 include representatives described under par. (a) 1. to 7. who are from any county or
13 tribe included in the multi-entity initiative, except that, of the representatives
14 described under par. (a) 1. to 7., the committee shall include at least one
15 representative from each county or tribe included in the initiative.

16 2. For purposes of a coordinating committee appointed for a multi-entity
17 initiative, a representative under par. (b) 1., 2., 4., 5., 6., 7., and 11. may be from any
18 county or tribe included in the multi-entity initiative.

19 *~~1221/1.6~~*SECTION 859. 46.56 (3) (d) 6. of the statutes is amended to read:

20 46.56 (3) (d) 6. If a county or tribe or a multi-entity initiative applies for
21 funding under sub. (15), assist the administering agency in developing the
22 application required under sub. (15) (b).

23 *~~1221/1.7~~*SECTION 860. 46.56 (3) (d) 14. of the statutes is amended to read:

24 46.56 (3) (d) 14. Establish target groups of children who are involved in 2 or
25 more systems of care and their families to be served by the initiative. For a county

1 or tribe or a multi–entity initiative that applies for funding under sub. (15), severely
2 emotionally disturbed children are required to be a priority target group.

3 ***–1221/1.8*SECTION 861.** 46.56 (3) (f) of the statutes is created to read:

4 46.56 (3) (f) This subsection does not apply with respect to multi–entity
5 initiatives to the extent that the department has adopted requirements under sub.
6 (14) (e) that conflict with those contained in this subsection.

7 ***–1221/1.9*SECTION 862.** 46.56 (4) (intro.) of the statutes is amended to read:

8 46.56 (4) ROLE OF ADMINISTERING AGENCY. (intro.) The Except when otherwise
9 provided in requirements established by the department under sub. (14) (e) that
10 apply with respect to multi–entity initiatives, the administering agency designated
11 under sub. (2) shall do all of the following:

12 ***–1221/1.10*SECTION 863.** 46.56 (4) (d) of the statutes is amended to read:

13 46.56 (4) (d) If the county board of supervisors or tribe or a multi–entity
14 initiative decides to seek state funding under sub. (15), develop the application in
15 cooperation with the coordinating committee.

16 ***–1221/1.11*SECTION 864.** 46.56 (5) (intro.) of the statutes is amended to read:

17 46.56 (5) INTERAGENCY AGREEMENT. (intro.) An Except when otherwise provided
18 in requirements established by the department under sub. (14) (e) that apply with
19 respect to multi–entity initiatives, an interagency agreement shall include all of the
20 following:

21 ***–1221/1.12*SECTION 865.** 46.56 (6) (cr) of the statutes is renumbered 46.56

22 (6) (cr) 1. and amended to read:

23 46.56 (6) (cr) 1. Every Except as provided in subd. 2., every county and tribe
24 that operates any initiative shall develop written policies and procedures specifying
25 the selection process for the initiative coordinator.

1 ***-1221/1.13*SECTION 866.** 46.56 (6) (cr) 2. of the statutes is created to read:

2 46.56 (6) (cr) 2. For a multi–entity initiative, the lead administrative county
3 or the lead administrative tribe shall develop the written policies and procedures
4 under subd. 1. specifying the selection process for the initiative coordinator.

5 ***-1221/1.14*SECTION 867.** 46.56 (6) (e) of the statutes is created to read:

6 46.56 (6) (e) This subsection does not apply with respect to multi–entity
7 initiatives to the extent that the department has adopted requirements under sub.
8 (14) (e) that conflict with those contained in this subsection.

9 ***-1221/1.15*SECTION 868.** 46.56 (7) (intro.) of the statutes is amended to read:

10 46.56 (7) ELIGIBILITY OF CHILDREN AND FAMILIES. (intro.) ~~Children~~ Except when
11 otherwise provided in requirements established by the department under sub. (14)
12 (e) that apply with respect to multi–entity initiatives, children who are involved in
13 2 of more systems of care and their families shall be eligible for the initiative, except
14 that the coordinating committee may establish specific additional criteria for
15 eligibility for services and may establish certain target groups of children who are
16 involved in 2 or more systems of care to receive services. If target groups are
17 established, only children falling within the target groups may be enrolled in the
18 initiative. Any eligibility criteria shall meet all of the following conditions:

19 ***-1221/1.16*SECTION 869.** 46.56 (8) (t) of the statutes is created to read:

20 46.56 (8) (t) This subsection does not apply with respect to multi–entity
21 initiatives to the extent that the department has adopted requirements under sub.
22 (14) (e) that conflict with those contained in this subsection.

23 ***-1221/1.17*SECTION 870.** 46.56 (9) to (13) of the statutes are amended to read:

24 46.56 (9) IMMEDIATE CARE. Individual county departments, tribal agencies,
25 other agencies, and other service providers shall provide immediate services and

1 other resources as necessary and appropriate to children who are involved in 2 or
2 more systems of care and their families who have been referred for an evaluation of
3 eligibility for and appropriateness of enrollment in the initiative while assessment
4 and planning take place. This subsection does not apply with respect to multi-entity
5 initiatives to the extent that the department has adopted requirements under sub.
6 (14) (e) that conflict with those contained in this subsection.

7 (10) RELATION TO OTHER SUPPORT PROGRAMS. In any county or for a tribe that has
8 a family support program under s. 46.985 or other support programs, including
9 comprehensive community services or office of justice assistance programs, the
10 initiative shall coordinate its activities with the support programs. This subsection
11 does not apply with respect to multi-entity initiatives to the extent that the
12 department has adopted requirements under sub. (14) (e) that conflict with those
13 contained in this subsection.

14 (11) CONFLICT MANAGEMENT. The department, administering agency, service
15 coordination agencies, and service coordinators shall establish and use informal
16 means for conflict management, including consultation, mediation, and independent
17 assessment, whenever possible. A formal conflict management policy shall be
18 established in writing by the coordinating committee for use by families, providers,
19 and other individuals involved in the initiative. This subsection does not apply with
20 respect to multi-entity initiatives to the extent that the department has adopted
21 requirements under sub. (14) (e) that conflict with those contained in this subsection.

22 (12) ADMINISTRATIVE APPEALS. Decisions by the service coordination agency
23 regarding eligibility, enrollment, denial, termination, reduction, or appropriateness
24 of services and decisions by the individuals designated by the coordinating
25 committee regarding eligibility, enrollment, or denial may be appealed to the

1 coordinating committee by a child who is a service applicant or recipient or by the
2 parent or guardian or guardian ad litem of the applicant or recipient. Decisions of
3 the coordinating committee may be appealed to the department under ch. 227. This
4 subsection does not apply with respect to multi-entity initiatives to the extent that
5 the department has adopted requirements under sub. (14) (e) that conflict with those
6 contained in this subsection.

7 (13) REVIEW OF ACTIONS BY INDIVIDUAL AGENCIES. Nothing in this section shall
8 limit, modify, or expand the rights, remedies, or procedures established in federal
9 statutes or regulations or state statutes or rules for individuals or families receiving
10 services provided by individual organizations that are participating in the
11 coordinated services plan of care. This subsection does not apply with respect to
12 multi-entity initiatives to the extent that the department has adopted requirements
13 under sub. (14) (e) that conflict with those contained in this subsection.

14 *-0839/P3.68*SECTION 871. 46.56 (10) of the statutes is amended to read:

15 46.56 (10) RELATION TO OTHER SUPPORT PROGRAMS. In any county or for a tribe
16 that has a family support program under s. 46.985 or other support programs,
17 including comprehensive community services or ~~office of justice assistance~~
18 department of justice or department of corrections programs, the initiative shall
19 coordinate its activities with the support programs.

20 *-1221/1.18*SECTION 872. 46.56 (14) (b) (intro.) of the statutes is amended to
21 read:

22 46.56 (14) (b) (intro.) The department shall provide, either directly or through
23 purchase of services, the following support services to the counties and tribes that
24 elect to participate in the initiative and to multi-entity initiatives:

25 *-1221/1.19*SECTION 873. 46.56 (14) (d) of the statutes is amended to read: